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THE BASIC LAW ON AGRICULTURAL COOPERATIVES

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The basic law on cooperatives, issued on 18 July 1946, helped to further the development of cooperatives and laid what was then the proper foundation for the expansion of the cooperative economic sector in rural and urban areas. This law envisaged the formation of farm work cooperatives as the higher and more socialistic form of agricultural cooperative.

Since this law was issued, all industry and commerce have been nationalized and thus have become a part of the state socialist sector. Within the framework of the general agricultural cooperatives, cooperative farms and socialist nuclei are being developed. These prepare the working peasantry for higher forms of cooperative life.

In 1947, Yugoslavia had 779 farm work cooperatives; at the end of 1948 it had 1,318, and at the end of April 1949, it had 3,700.

Under the law of 1949, the cooperative is a strong economic organization consisting of working peasants only. The agricultural cooperative may deal with all phases of agriculture, but may engage in local trade or industrial activities only in order to satisfy its needs, and must use its own manpower exclusively.

Cooperatives are administered by cooperative members chosen by their fellow members.

Cooperative property can never become private property. Cooperative property enjoys the same protection as national property.

The activity of the agricultural cooperatives is based on their respective economic plans. The economic plan of the cooperative is a part of the state economic plan. Cooperative members are paid for their labor by the cooperative and may not participate in the distribution of the income, i.e. in sharing the profits.

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The cooperative consists of working peasants, 16 years of age or older, who joined on a voluntary basis. Children are not considered members of a cooperative, but the cooperative cares for them if they lose their parents while in the cooperative. However, children who own production facilities can be members of a cooperative.

Cooperative members have the right to leave cooperatives. However, the law provides for the continuation of cooperative agricultural work and the fulfillment of their obligations by those who leave cooperatives, and prescribes rules for their entry into industry.

The essential characteristic of the general agricultural cooperative is that members continue to own their entire property. However, they may voluntarily contribute their land and other property, in whole or in part, to a cooperative farm.

There are four types of farm work cooperatives. In the two lower types, the cooperative members contribute their land to the cooperatives and retain legal ownership. The cooperatives pay rent or interest to these landowners for the use of the land. In the third and fourth types of cooperatives, the cooperative members contribute their land to the cooperative and retain legal ownership, but do not receive rent or interest for it. They may also donate the land to the cooperative, thus making it common cooperative property. The law of 1949 guarantees the right of the working peasants to join any of these four types of cooperatives and to change voluntarily from lower to higher cooperatives.

The law lists the principles for the organization of work in the cooperative and for the development of the system of personal obligation and personal responsibility of cooperative members. The wages of cooperative members are determined by the number of days a member worked and are calculated on the basis of the total income of the cooperative, after the deduction of contributions to funds, rents, and interest. The wages are calculated in cash and are paid both in cash and in kind.

The following funds exist in a farm work cooperative: a basic fund, an amortization fund, a trade fund, a reserve fund, a social security fund, and a fund for culture and education.

The law of 1949 would permit the formation of higher cooperative organizations, such as srez, oblast, and republic associations of agricultural cooperatives, and the Main Cooperative Association of Yugoslavia. The srez association of agricultural cooperatives unites general agricultural cooperatives and farm work cooperatives in the territory of a srez and represents a higher cooperative economic organization. The srez association of agricultural cooperatives with its economic plan coordinates all the cooperative agricultural activities in the srez and furthers the activity of member cooperatives.

According to data of 15 May 1949, Yugoslavia has a total of over 4,250 farm work cooperatives, with a membership of 210,000 families and over one million hectares of land. The socialist sector (cooperative and state) of agriculture owns about 20 percent of the total agricultural land.

The number of farm work cooperatives on 15 May 1949 was 323 percent of the figure for 1 January 1949; the number of cooperative families was 291 percent; and the area of cooperative land in hectares was 308 percent.

During these months, 3,000 large cooperative farms with an average of 250 hectares of agricultural land each have been organized.

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The January 1949 statistics on livestock numbers per thousand hectares of land according to individual farm categories are as follows:

<u>Area of Farms (in hectares)</u>	<u>Horses</u>	<u>Cattle</u>	<u>Sheep</u>	<u>Hogs</u>
Under 2	129	1,195	2,067	640
2 to 5	113	633	1,206	398
5 to 8	112	474	1,099	336
8 to 10	93	400	1,015	293
10 to 15	80	339	938	242
Over 15	50	213	649	149

The number of livestock (in thousands of head) in January 1949 in comparison to 1939 is as follows:

<u>Year</u>	<u>Horses</u>	<u>Cattle</u>	<u>Sheep</u>	<u>Hogs</u>
1939	1,273	4,225	10,153	3,504
1949	1,050	5,259.9	11,644.7	4,128
Index for Jan 1949 (1939=100)	82.4 %	124.7 %	114.8 %	135.2 %

In the first quarter of 1949 both types of agricultural cooperatives (general and farm work) utilized 6,683,558,000 dinars of working credit, which the state placed at their disposal.

During the first four months of 1949, agricultural cooperatives spent 1,956,865,000 dinars of investment credit.

In regions in which small cooperatives predominate, all of them are of the third and fourth type, i.e. those in which no rent for the land is paid. These cooperatives consist of the poorest peasants, who are primarily Communists.

Without the mass participation of the middle farmers in farm work cooperatives, the successful socialist reorganization of the farms and the liquidation of the capitalistic element are not possible. The lower types of farm work cooperatives were devised for the sake of the middle farmers. These cooperatives successfully harmonize the personal interests of working peasants with the general interest of the socialist organization.

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